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SUGAR
FS 8-62
December 1962

1962-63 WORLD SUGAR

PRODUCTION UNCHANGED

World production of centrifugal sugar in 1962-63, estimated at 56.2 million tons, shows very little change from the 56 million tons of the preceding season. This brings the total output very close to the ten-year trend line, with an average increase of about 2 million tons per year.

The cane sugar portion of the world total will be about 800,000 tons higher, while the beet sugar portion will decline by about 600,000 tons. Cane sugar will constitute about 58 percent of the world production this season and beet sugar 42 percent. This is about the same relationship that existed in the five pre-war years 1935-36 through 1939-40.

Among the restrictive factors in the current production season is weather, particularly in Western Europe (United Kingdom and Benelux) and Eastern Europe (mainly Poland). Production this season is also affected by acreage cutbacks in many countries burdened with heavy stocks carried over from former years, particularly in Latin America. Another limitation is the level of existing stocks, particularly in Latin American countries, as reflected in average cutbacks which were enforced before the improved price situation could exercise its effect. In Western Europe, beet acreage was nearly the same as in the year before, and total production for all Europe is expected to be off about 5 percent, unless more up-to-date information gives a more optimistic picture.

This circular contains more detailed information than the summary published in the monthly supplement issue of Foreign Crops and Markets of November 29, 1962.

than justified by persistent unfavorable conditions. In summary, the most important production features of the new season include the decline in output in Cuba, estimated at 800,000 short tons, an increase of about 360,000 short tons in the United States, a small increase in South America.

For the Western Hemisphere as a whole, sugar production for the new 1962-63 season remains about the same.

Of the total world centrifugal sugar production this season, about 27 percent will be in North America, including Central America and Caribbean countries. All Europe excluding U.S.S.R. will account for an additional 22 percent, Asia about 16 percent, the U.S.S.R. about 12 percent, South America about 13 percent, Africa 6 percent, and Oceania (mostly Australia) 4 percent. This distribution by areas is very similar to that of last year.

Upward trends relative to world sugar production are indicated for the U.S.S.R., Asia, South America and Africa, but a relative decline is shown elsewhere.

Notes on Selected Countries

North America

United States: Increases in sugar production in the United States are expected to take place in the sugar beet area (about 200,000 short tons) as well as in the mainland sugarcane areas of Louisiana and Florida (about 100,000 short tons combined). Production in both Puerto Rico and Hawaii continue practically unchanged since the 5-year base period beginning in the 1955-56 season. Restrictions in all areas of production were removed in recent years, but they were reimposed on production in Florida where expansion of acreage and processing facilities was unusually great during the past 2 years. In this period, the number of mills increased from three to eleven, and the acreage increased from 61,000 to 139,000 acres.

Mexico: The current forecast of centrifugal sugar for 1962-63, at 1791 thousand short tons, is the largest on record. The signing of the industry labor contract last August eliminated the possibility that labor difficulties might interfere with the start of the grinding season. It is estimated Mexico will have around 350,000 short tons available for export during the 1962-63 season. Mexico's production of non-centrifugal sugar is forecast the same as last year, at 132,000 short tons.

Caribbean Area

Dominican Republic: Although the Dominican Republic has been plagued since early May with strikes by sugar workers and technicians, the country was able to forecast production of 900,000 tons of sugar for the 1962-63 year. During 1961 the Dominican Republic exported 1,251,000 tons of sugar, with the United

States taking 372,000 tons, or 30 percent. The strike may be settled before the next harvest begins in December, since the government and the trade are directly concerned over the future of the sugar industry.

Cuba: Cuba's sugar production this season, beginning January 1963, is not expected to exceed 4.6 million short tons, the lowest output since 1946. Although estimates vary, all sources seem to agree that Cuba's production will be down substantially from the 1962 output. In the all-out effort to produce as much as possible in 1962, virtually all of the usable cane was cut, including much that normally would have been allowed to stand uncut until this season. Further deterioration of mill equipment, and the cannibalizing of some mills to keep others going, has been reported as the number of operating mills declined from 161 to 150 for 1963. Some acreage may have been planted to other crops in the push to diversify agricultural production. Finally, it appears that the sugar carryover at the beginning of this season may be smaller than desired for export. It therefore appears that exports to the Sino-Soviet Bloc will be lower than in the 1961-62 season.

South America

Argentina: Production for 1962-63 from the current harvest is estimated at 841,000 short tons for a modest increase over the preceding season, but it is still below the preceding 5-year average at 906,000 short tons. The total supply available for the 1962-63 marketing year is expected to be a little more than is needed for normal domestic consumption, leaving a sufficient quantity for export.

Recent strikes and slow-downs caused some delay in operations. Wholesale and retail prices increased substantially as a result.

Brazil: Despite conflicting reports, Brazilian sugar production shows a slight increase in 1962-63 over the revised figure for 1961-62. The United States received over 50 percent of total exports during January - June 1962. Sugar exports to Japan have shown a steady increase for the last five years. Experimental work, places emphasis on increasing sugarcane yield per hectare as well as sucrose yield per metric ton of cane through plant breeding, use of fertilizer and use of irrigation. In 1963 Brazil expects to have 500,000 tons available for export.

Colombia: A 15 percent increase in production to 444,000 short tons is expected for the 1962-63 harvesting season. This represents a continuation of the uptrend which occurred in recent years, and is largely the result of increased milling and refining capacity of Castilla and Riopails. Other factors in this increase are better cane yields and more efficient milling and consequently greater yields of sucrose from the sugarcane. This means an increase in supplies available for export. Colombia will therefore have no difficulty in meeting its sugar quota to the United States of 30,000 short tons, with stocks for the 1961-62 season of about 37,000 tons. It is reasonable to expect an estimate of 100,000 short tons available for export.

Peru: Sugar production in Peru is a record crop and is estimated at 937,000 tons, or 4 percent over 1961-62 and 5 percent over 1960-61. This increase will depend mostly on availability of irrigation water and absence of strikes by sugarcane workers. The quantity of cane crushed has increased over 68,000 short tons, without any significant change in acreage by better soil management. About 65 percent of the production is considered available for export.

West Europe

France: In 1962-63, sugar production is expected to decline about 230,000 short tons, or 12 percent, from the preceding year. This decline is attributed to the reduction in acreage and to weather conditions. The reduced plantings reflect farmer dissatisfaction with the 1961-62 beet prices and the uncertainties as to markets during 1962-63. A decline in exports is expected, as some of the former African markets take advantage of lower priced sugar from other sources, and as new sugar mills are built in some of the new African states striving for self-sufficiency. Stocks are expected to decline by about 140,000 tons during the current season.

West Germany: It is expected that production for the new season will be about 200,000 tons higher than that of 1961-62 crop year. However, this may not be sufficient to replenish the rather low stocks, and substantial imports are expected to continue. Import requirements for the 1962-63 season will be at least twice as high as those of the preceding year, when a large carry-over had resulted from the record high production of 1960-61. Meanwhile consumption per capita is reported to be increasing steadily, reaching 66 pounds per capita in 1962-63, mainly because of relatively large requirements for the canning of fruits.

United Kingdom: Although the sugar beet crop is reported to be somewhat higher for the 1962-63 crop, the sugar content is lower and the total output of sugar is somewhat reduced. Sugar stocks in 1962 were up slightly, therefore import requirements will be the same as last year to maintain adequate supplies. Imports of all sugar due the United Kingdom in the first 8 months of 1962 amounted to 1.53 million short tons, the same as that imported for the same period of the preceding year. Meanwhile, imports of refined sugar are decreasing sharply to about one-half the quantity of a year earlier.

Italy: Latest estimates indicate that sugar production in Italy from the 1962 crop will show little change from that of the two preceding years. Despite the removal of acreage restrictions on the sugar beet crop in 1962, no substantial increase in the planted area has been observed, largely because of the decreased number of field workers. In order to meet the current problem of rising production costs, the government has adopted a new sugar policy to promote mechanization in the sugar beet industry and to develop a cooperative movement. In 1962-63, despite anticipated increased imports, sugar stocks are expected to be nearly depleted by the end of July 1963 due to low beginning stocks. Meanwhile consumption has gradually increased, and substantially

larger imports will be needed to meet rising domestic demand. Consequently it is probable that sugar prices in the current marketing year will be somewhat higher.

East Europe

Poland: The production of sugar from sugar beets dropped substantially with the current forecast although the acreage was increased. The decline was due primarily to the cold, wet spring. This made some replanting necessary, and although the good summer and late fall weather improved the sugar content of the beets, the harvest was below the amounts planned. The U.S.S.R. may continue to be the largest importer of Polish sugar during 1962 and 1963, although large quantities will very likely be sold to Western Europe.

Czechoslovakia: As one of the two largest producers of sugar in Eastern Europe, Czechoslovakia is expected to experience a decline of about 8 percent in 1962-63. Acreage and yields were substantially below the tonnage of the 1961-62 season.

U.S.S.R. : The U.S.S.R. is expanding its sugar beet processing capacity by building new factories. Plans call for a substantial increase in consumption of sugar which if achieved will in time bring it up toward 100 pounds per capita compared with about 65 pounds per capita in 1960. Much of this increase may be derived from Cuban sugar imports. The trend in sugar beet yields and sugar content of beets produced has been slightly downward during the 1951-62 decade.

Production of sugar from domestically-grown sugar beets in 1962-63 is tentatively forecast at about 7 million short tons raw value, on the basis of incomplete information in November. This would be a slight decrease from the revised estimate of 1961-62 production.

The estimate for U.S.S.R. sugar excludes Cuban sugar imports.

Asia

India: Sugar for 1962-63 is estimated at a record 4.1 million short tons, up about 9 percent from the preceding year. This increase is attributed to a slight expansion in acres planted and improved crop conditions. Sugar available for export during the current processing season is estimated at 550,000 short tons raw value. Domestic consumption of all forms of sugar, whether refined, Khandsari, or Gur (non-centrifugal) is increasing. Somewhat higher yields are the result of intensive crop research and chemical treatment of sugarcane seed. Government subsidies for the purchase of chemicals to be applied to sugarcane seed will provide better extraction to cooperative sugarcane mills. The main drive to increase earnings of foreign exchange has motivated the large increase in production of about 21 percent since the

1960-61 season. Exports of centrifugal sugar will expand during the coming year. Growers will be provided with special incentives to deliver more sugarcane to the centrifugal mills and less to the non-centrifugal factories.

Philippines: Sugar production for 1962-63 is estimated at 1,739,000 short tons. This is an alltime record, exceeding the 1961-62 production by about 8 percent. The expected crop will enable the Philippines to fill its 1963 export commitments. Assuring an extra shipment of 70,000 tons of the new crop to fill United States deficit reallocations in 1962, additional sugar amounting to 118,000 tons will still be on hand to fill 1963 shortfalls. The anticipated increase in production is attributed to the expansion of the crop area and better yields brought about by more extensive use of fertilizers.

Indonesia: Sugar production is currently regarded by the Indonesian government as a primary agricultural problem. In the past, the diversion of land to (more lucrative) crops, and lack of incentives, caused the decline in outputs since the season of 1955-56. The government wishes to diversify the location of the sugarcane plantings accompanied by the construction of new sugar mills. After a low of 707,000 tons in 1961-62 the new season is expected to show about a 11 percent increase to 783,000 short tons. Production has been unable to meet domestic consumption and rationing has been administered by the government. No exports are expected because consumption continues at a very low 18 pounds per capita. The goal of a new 8-year development plan is to increase domestic production so that consumption of 22 pounds per capita will be reached by 1969.

Taiwan: The estimated 800,000 short tons of sugar production for 1962-63 season is about one-fifth lower than had been produced in several prior years. Although the areas planted to sugarcane is somewhat reduced, yields have increased at the rate of about 4 percent annually through improved varieties, increased use of fertilizer, and improved irrigation practices. Nevertheless, sugar output has declined in recent years because of reduced acreage. Expanded production of other crops is the result of recent agricultural improvements through more intensive cultivation, modern technology and a variety of cooperative service. This has led to the more effective use of manpower for more intensive crop and livestock enterprises.

Turkey: Expected production in 1962-63 for Turkey shows a continued decline in output since the 1960-61 season, with only 461,000 tons in the current season. As a result, there will be little sugar available for export. This follows the new government policy to limit production to domestic consumption. Estimated stocks as of August 1, 1962, at 187,000 short tons would increase to 220,000 short tons by July 31, 1963 if there are no exports. This situation may present some problem for the sugar beet factories concerned with the maintenance of production. It is their hope that reduced plantings will be offset in large part by improved yields.

Oceania

Australia: Production for the 1962-63 record crop, estimated at 1966 thousand short tons indicates, almost a one-third increase over the average of the 5-year period beginning in 1955-56. Weather conditions are reported favorable during the current growing season, and a substantial increase in sugarcane yields and sugar content are expected. Australia exports nearly two-thirds of this quantity, mainly to the United Kingdom, but substantial quantities are also exported to Canada, Japan, New Zealand, Hong Kong, Malaya, and the United States. Greatly increased export sales to the United States and Japan have permitted the Queensland sugarcane mills to announce individual delivery quotas of 35 percent over previous highs. This means that the mills will acquire the entire crop. Larger exports to traditional markets are anticipated since the removal of export restrictions provided by the International Sugar Agreement which is now inoperative. Improvements in terminal facilities have greatly facilitated handling and shipping of the larger exports. This includes new bulk shipping facilities planned for Cairns and Mackay.

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60
annual 1960-61 through 1962-63 2/

Continent and country	Average			
	1955-56	1960-61	1961-62	1962-63 3/
	through 1959-60			
	1,000	1,000	1,000	1,000
	short tons	short tons	short tons	short tons
North America (cane unless otherwise indicated):				
Canada (beet).....	151	162	141	154
Mexico.....	1,380	1,603	1,649	1,791
United States				
Continental (beet).....	2,088	2,450	2,440	2,650
Continental (cane).....	572	630	858	960
Hawaii.....	1,013	1,090	1,100	1,100
Puerto Rico.....	1,036	1,110	1,050	1,100
Virgin Islands of the U.S.....	11	17	15	11
British Honduras.....	12	31	33	29
Costa Rica.....	44	74	90	90
El Salvador.....	51	58	70	70
Guatemala.....	70	94	134	134
Nicaragua.....	61	74	94	85
Panama.....	25	30	30	41
Cuba.....	5,883	7,459	5,400	4,600
Dominican Republic.....	883	962	960	900
Guadeloupe.....	146	185	198	188
Haiti.....	61	80	64	63
Martinique.....	83	105	105	93
West Indies Federation				
Barbados.....	183	179	177	179
Jamaica.....	419	492	490	491
St. Kitts.....	52	52	49	50
Trinidad and Tobago.....	205	275	225	226
Other.....	58	58	55	56
Total North America.....	14,487	17,270	15,427	15,061
South America (cane unless otherwise indicated):				
Argentina.....	906	903	754	841
Bolivia.....	11	27	45	52
Brazil.....	3,110	3,804	3,928	3,950
British Guiana.....	330	364	364	364
Chile (beet).....	40	84	74	81
Colombia.....	297	390	385	444
Ecuador.....	93	113	160	165
Paraguay.....	30	32	34	35
Peru.....	800	891	904	937
Surinam.....	10	12	12	12
Uruguay (beet and cane).....	27	33	51	53
Venezuela.....	205	254	271	275
Total South America.....	5,859	6,907	6,982	7,209
Europe (beet unless otherwise indicated):				
Austria.....	282	324	231	258
Belgium and Luxembourg.....	393	566	500	369
Denmark.....	353	365	233	221
Finland 4/.....	38	69	74	55
France.....	1,571	3,006	1,878	1,648
Germany, West.....	1,590	2,152	1,585	1,779
Greece 5/.....	0	0	3	30
Ireland.....	126	159	151	164
Italy.....	1,271	1,084	1,033	1,047
Netherlands.....	490	782	645	587
Portugal				
Azores and Madeira Islands.....	13	16	20	20
Spain (cane and beet).....	470	567	649	650
Sweden 4/.....	314	395	358	331
Switzerland.....	40	40	39	28
United Kingdom.....	818	1,082	926	851
Total West Europe.....	7,769	10,607	8,325	8,038
Albania 6/.....	12	15	14	14
Bulgaria 6/.....	137	205	165	198
Czechoslovakia.....	860	1,056	1,025	937
Germany, East 6/.....	804	970	808	728

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60 annual 1960-61 through 1962-63 2/ - Continued

Continent and country	Average	1960-61	1961-62	1962-63 3/
	1955-56 through 1959-60			
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Europe - continued:				
Hungary.....	332	525	384	352
Poland 6/.....	1,152	1,650	1,662	1,433
Rumania.....	244	490	416	386
Yugoslavia.....	219	317	236	254
Total East Europe.....	3,760	5,228	4,710	4,302
Total Europe.....	11,529	15,835	13,035	12,340
U.S.S.R. (Europe and Asia).....	5,552	6,600	7,300	7,200
Africa (cane unless otherwise indicated):				
Ethiopia and Eritrea.....	35	47	72	68
Egypt.....	340	393	345	340
Congo, Republic of.....	25	31	34	35
Kenya 6/.....	29	35	38	35
Tanganyika 6/.....	28	38	39	52
Uganda 6/.....	89	110	113	110
Malagasy Republic.....	55	97	96	95
Mauritius.....	612	260	610	605
Mozambique.....	165	182	182	187
Reunion.....	219	244	250	224
Rhodesia and Nyasaland.....	9	31	40	92
South Africa, Republic of 7/.....	989	1,052	1,174	1,300
Total Africa.....	2,595	2,520	2,993	3,143
Asia (cane unless otherwise indicated):				
Iran (beet and cane).....	119	132	156	175
Turkey (Europe and Asia)(beet).....	408	771	518	461
China, Mainland, (cane and beet).....	836	-	-	-
Taiwan.....	963	1,018	800	800
Burma.....	38	51	47	55
India 8/.....	2,737	4,042	3,775	4,128
Indonesia.....	903	745	707	783
Japan (beet; includes cane beginning 1959-60).....	86	174	182	183
Pakistan.....	174	132	180	190
Philippines.....	1,356	1,563	1,668	1,739
Thailand.....	102	145	190	145
Other (cane and beet).....	29	78	65	73
Total Asia 9/.....	7,751	9,276	8,588	9,032
Oceania (cane):				
Australia.....	1,428	1,504	1,512	1,966
Fiji.....	210	165	183	269
Total Oceania.....	1,638	1,669	1,695	2,235
World total (cane).....	29,197	33,480	31,975	32,811
World total (beet).....	20,214	26,597	24,045	23,409
World total (cane and beet).....	49,411	60,077	56,020	56,220

1/ Centrifugal sugar, as distinguished from non-centrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade. 2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began. 3/ Preliminary. 4/ Includes sugar from imported beets. 5/ No sugar produced prior to 1961-62. 6/ Production relates to calendar years for the first of the two years indicated in crop-year heading. 7/ Includes Swaziland. 8/ Includes Khandsari amounting to about 15% of total. 9/ Includes estimates for non-reporting countries.

Foreign Agricultural Service. Official estimates of foreign countries, reports of Agricultural Attaches and other U.S. representatives abroad and results of office research and other information.

NON-CENTRIFUGAL SUGAR 1/: Production in specified countries, average 1955-59,
annual 1960-61 through 1962-63 2/

Continent and country	Average			
	1955-59	1960-61	1961-62	1962-63 <u>3/</u>
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:				
El Salvador.....	27	19	20	22
Guatemala.....	70	46	45	40
Mexico.....	147	154	132	132
Nicaragua.....	25	18	23	20
Panama.....	4	2	2	2
Total.....	273	239	222	216
Asia:				
Burma.....	160	157	157	168
China: Mainland.....	545	-	-	-
Taiwan.....	24	25	22	22
India.....	3,950	3,968	5,012	5,295
Indonesia.....	303	334	345	342
Japan.....	26	37	25	29
Pakistan.....	1,258	1,064	1,008	1,000
Philippines.....	70	72	73	72
Thailand.....	50	128	134	141
Vietnam.....	21	28	35	38
Total <u>4/</u>	6,407	6,395	7,393	7,689
South America:				
Colombia.....	486	660	606	627
Ecuador.....	26	30	30	28
Peru.....	30	28	26	22
Venezuela.....	71	70	70	70
Total.....	613	788	732	747
Total of above countries <u>4/</u>	7,293	7,422	8,347	8,652

1/ Non-centrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc.

2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began.

3/ Preliminary.

4/ Includes estimates for non-reporting countries.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.

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